Louisville Slugger hits one out of the ballpark

By Lori Kesler

The folks who make Louisville Sluggers never said their wands worked magic, but plenty of people seem willing to believe it. And Hillerich & Bradsby Co., which has been turning out Louisville Sluggers for more than 100 years, knows better than to mess with a good myth.

There was the time, for example, the Cincinnati Reds asked H&B to help pull them out of a batting slump.

> ***"... our name still has a great degree of magic to it—and licensing helps support that."***
>
> **Bill Williams**
> **Hillerich & Bradsby**

A company employe dispatched a new supply of Louisville Sluggers with some solar-powered advice: Let the bats lie in the sun outside the dugout before using them.

The Reds did as they were told and started hitting again. The H&B employe later admitted he'd concocted the advice to prove baseball is "90% psychological."

And so, it seems, is the power of the Louisville Slugger name.

"Few words evoke such feelings of nostalgia and reminiscence," says Bill Williams, H&B's vp-advertising and licensing.

Recognized by eight out of 10 Americans, the Louisville Slugger name conjures up memories of baseball heroes and childhood sandlot games.

This may help to explain why grandparents and parents swathe their toddlers in sleepers bearing the logo of a sports equipment marketer.

Infant's and children's clothes have turned out to be some of Louisville Slugger's most successful licensed items. At first this surprised Mr. Williams.

"Our strength really lies with people 25 years and older," he says. "They're the ones who grew up with Louisville Slugger." Parents may be attempting to steal back a segment of their youth when they buy Louisville Slugger clothes for their children.

Men purchase almost one-third of all Slugger duds, according to Weston Anson, president, Marketing/Trademark Consultants, La Jolla, Cal., H&B's licensing agent. One-third may not sound too astounding, except men buy less than 10% of children's apparel, he says.

The children's clothes, licensed by U.S. Apparel, New York, have been sold through a wide range of retail outlets from K-mart to Bloomingdale's, something of a rarity in apparel marketing.

The line now is being carried more by upscale stores, however, says Jerry Perelmutter, exec vp, U.S. Apparel. Because U.S.-manufactured apparel typically is more costly, the lower end chain stores look for foreign-produced products.

He says New York's Macy's and several other department store chains are setting up permanent Louisville Slugger displays in their boys' clothing departments. The apparel line is expected to be promoted heavily during the fall back-to-school sales season.

Despite the strong brand identity among adults, H&B officials say Louisville Slugger's licensing program will continue to focus on kids.

The company figures one way to make sure children grow up with the Slugger name on their minds is to slug it on their clothes, their toys, even their toothbrushes.

Mr. Williams says H&B got into licensing for all the usual reasons—to generate revenues, penetrate new market areas and reinforce brand identity. But, he says, the company also wanted to use licensing to establish and strengthen its relationship with young children.

"There was a time when we were the only game in town," Mr. Williams says. "That's not the case today." Thanks to the miracles of high tech, children these days are learning to play ball with aluminum bats, which are lighter and more durable than wood.

Aluminum dominates virtually every area of amateur softball and baseball—only in professional baseball does wood reign supreme. That complicates things for H&B, which made 6 million wooden bats in 1975 and only 1 million last year.

"We own the wooden bat market. We do not own the aluminum market," Mr. Williams says. While 60% to 65% of all wooden bats sold in this country are Louisville Sluggers, fewer than 25% of aluminum bats carry the famous name.

Wooden and aluminum bats aren't H&B's only products. The bulk of the company's $50 million annual revenues now come from Louisville Slugger baseball and softball gloves, mitts and batting gloves, Louisville hockey sticks and Powerbilt golf clubs.

"We have to fight harder these days for our share of market [in all product categories]," Mr. Williams says. "However, we benefit from the fact that our name still has a great degree of magic to it—and licensing helps support that."

The licensing program keeps the name in the public eye "so kids will grow up knowing us not just for wooden bats," Mr. Williams says, "but for all our products."

In addition to children's clothes and hosiery, H&B has licensed plastic toy bat-and-ball sets, a toy battery-operated pitching machine, batting tee and a toothbrush shaped like a baseball bat.

A line of men's sportswear also recently reached retail. The clothes, licensed by MFB Industries, Gastonia, N.C., feature 12 styles of baseball shirts, t-shirts, sweat shirts and pants.

The company wants to license a line of linens, home furnishings and accessories sometime in the future.

And Mr. Williams says the company's cache of old baseball photographs are ripe for the picking. If all goes according to plan, a Louisville Slugger coffeetable book could be in the offing.

Mr. Anson says H&B has been careful to limit the number of licenses it grants. "They could easily have done lots of windup dolls and toys and all the usual garbage," he says. "But their goal was never to have more than eight or ten product licensees."

When a company licenses just a few products, "consumers assume that company actually makes those items," he says. "So it's important to give them quality products in a few select areas to maintain their trust." When a licensed name gets stamped on too many things, it no longer adds much value, Mr. Anson says.

If Louisville Slugger doesn't draw quite the same frenzied response as a name like E.T., that's not all bad, Mr. Anson says, because "an E.T. doesn't last. Neither do the licensed characters.

"Retailers are getting tired of the short-lived stuff, he says. "But Louisville Slugger is timeless. It's never going out of style."

Ironically, H&B likes to license products that don't depend too heavily on the Louisville Slugger name. "We want quality products that could stand on their own," Mr. Williams says. "Our reputation could be damaged if something were poorly made."

On the other hand, he says, H&B does not look to affiliate itself with the leading manufacturer in a product category. The company prefers to strike up partnerships with companies that make a good product, "but need our name to get them in the door."

Although he will not provide anticipated sales figures, Mr. Perelmutter says putting Louisville Slugger on his company's children's clothes may boost sales volume 6% to 8%, but he emphasizes quality is the far more important factor. "If the product doesn't have intrinsic value," he says, "it's not going to sell, no matter what."

> ***"Retailers are getting tired of the short-lived stuff. But Louisville Slugger is timeless."***
>
> **Weston Anson**
> **Marketing/Trademark Consultants**

Prospective and current licensees are not expecting an overnight success, Mr. Williams says. "They're looking for a long-term relationship."

For its part, H&B also doesn't expect to get rich quick with licensing. The company pulled in about $150,000 in royalties in 1985, the first year it had any licensed products on the retail market, he says.

"We broke even and learned a lot," Mr. Williams says. "We know you can't look at the flashier part of licensing—the blockbuster celebrity stuff—and expect corporate licensing to be the same."

That's true, says Milton Schulman, editor of *The Licensing Book*, New York. The corporate licenser—if it's doing things right—doesn't try to cover all the bases at once, he says. Instead, it picks a market niche where its name has the greatest significance.

Louisville Slugger, for example, represents a kind of nostalgic involvement with America's greatest sport, so H&B officials have tailored their licensing program to capitalize on that appeal, Mr. Schulman says. "They know who responds to their name," he says, "and they're looking to license products that strike a chord with those people."

H&B appears to be realistic in its expectations. "Maybe we don't have as much pizazz as a Rambo," he says. "We don't have anything that's sparkling and brand new. But we do have a name that's an American classic."

Ty Cobb and Babe Ruth thought so. They endorsed Louisville Slugger bats, as did Ted Williams, Hank Aaron, Mickey Mantle, Roger Maris, Johnny Bench and George Brett.

So take that, Rambo.

H&B strikes up relationships with manufacturers that need Louisville Slugger's name to score.

Lori Kesler, St. Louis-based Advertising Age *correspondent, profiled licensing agency Hamilton Projects and reported on Anheuser-Busch's corporate licensing program in last year's Licensing Special Report.*

Coca-Cola finds Murjani clothes are it

By Beth Sherman

If Coca-Cola Co. executives started to search for a tag line to hang on their licensing venture it might be "Coke goes better with clothes" or "Clothes are it." Aware that clothing represents about 40% of total corporate licensing revenues, company executives latched onto the idea of licensing a line of contemporary sportswear that would best reflect Atlanta-based Coke's lifestyle advertising.

In 1982, when the company established its first corporate licensing department and stamped its trademark on everything from beach towels to ice buckets and puzzles to posters, it launched a search for a licensee to manufacture apparel. Two years later representatives from New York-based Murjani International appeared on Coke's doorstep; Coke marketers finally found what they sought.

The co-venture is considered by many to be a prime example of corporate licensing at its best. In Murjani, Coke has found a company that not only has produced a fashion-oriented, quality product line, but also one that has merchandised the product in an innovative, exciting way.

"Murjani shares the same goals and aspirations that we do," says R. Bruce Gilbert, manager-merchandise licensing at Coca-Cola. "Instead of dribbling a few pieces out into the marketplace, they brought a high degree of integrity, design know-how and marketing skill to the project. Just look at their track record. They built up their Gloria Vanderbilt line from a pair of black jeans to a multi-million-dollar business."

The Coca-Cola clothing line—consisting of men's wear, women's wear, children's wear, lingerie, swimwear, sleepwear, maternity wear and accessories—is designed to complement the soft drink's image. The clothes are upbeat, made of cotton and denim, and fashioned in bold primary colors. Geared to appeal to consumers between the ages of 18 and 30, they epitomize the energetic youthfulness that Coke's product advertising has long represented.

Murjani marketers extensively researched the field, conducting focus groups and mall intercept interviews even before they approached Coca-Cola. What the clothing marketer found was that people responded positively to the Coke name, associating it with value and quality.

"Because of the advertising Coke had done over the years, it turned out that people had a picture in their minds of what the clothes would look like," says Carol Fox, a Murjani spokeswoman. "They envisioned a leisure-time life-style line. Also we tried to come up with the type of clothing that might be worn in a Coke commercial."

Murjani defined the market and the consumer segment it wanted to reach and then translated Coca-Cola's image to the clothes, says Milton Schulman, editor of *The Licensing Book*, a New York-based trade publication. "The clothes line was a breakthrough because it showed that a corporate logo, a brand name with high awareness, could be transformed into something very much like a designer name. And that's a first in corporate licensing."

Coca-Cola executives say their only objective in seeking a licensed apparel line was to protect the trademark. Since the venture was launched in August, 1985, Mr. Gilbert says, the unauthorized use of the company's trademark has dwindled.

Although the line's volume represents only a fraction of the company's total revenues—earnings of $722.3 million on sales of $7.9 billion last year—its success certainly has exceeded expectations.

Murjani projects retail sales of $200 million in fiscal 1986, far exceeding the company's original projections, which the company will not reveal. Ms. Fox says Coke's royalty "is standard for the industry," meaning it probably stands around 6% of wholesale sales. "This has been the most successful line that Murjani has ever had," she says, "including Gloria Vanderbilt."

Given corporate licensing's pitfalls and problems, Murjani and Coke took some deliberate steps upfront to forge their partnership. Both sides made moves to ensure the line's quality corresponded with the consumer respect awarded to Coke's name and image. To this end, each garment was tested to make sure it did not shrink, fade, stretch or tear.

"The greatest risk in corporate licensing is that the products will not represent good value and good design," says Michael Stone, president of New York-based Hamilton Projects, which acted as the licensing agent. "The single most important asset a corporation has is its name, so the last thing a company wants is to see closeouts on the sidewalks of 14th St."

Satisfied with the finished products, Murjani conjured up a merchandising style that utilized a high-tech, futuristic approach. In Murjani's two Fizazz specialty retail stores—located on Columbus Ave. in New York and the Paramus Park Mall in Paramus, N.J.—customers use video screens to view ensembles. The clothes are stocked cafeteria-style, with consumers placing their selections on trays.

The children's wear and other lines of Coca-Cola licensed clothing are designed to complement the soft drink's image.

Despite the program's success and groundbreaking retailing style, both companies admit the process was slow and based largely on trial and error.

"It is difficult for a licenser to enter a category it is not familiar with," says Arnold Bolka, publisher of industry newsletter "The Licensing Letter," Scottsdale, Ariz. "It's one thing for a toy licenser to enter the toy business; it's another thing if that same company enters the food business."

Coca-Cola executives acknowledge it took a while to adjust to retailing, with its longer manufacturing and lead times. "We learned that it takes several months, if not over a year, from the startup to the shelf," Mr. Gilbert says.

Along the way, Murjani made some discoveries of its own. When the company first began planning to merchandise the line, it came up with a nostalgia-type theme, which was supposed to tie in with Coke's back-to-America's-roots advertising approach.

The first design for the specialty stores revolved around imagery borrowed from a 1940s-style soda fountain.

"Initially, it made perfect sense," Ms. Fox says. "But it just

Beth Sherman is a New York-based free lance writer who likes to put pizazz into her shopping day.

Fizazz adds pizazz to retail stores

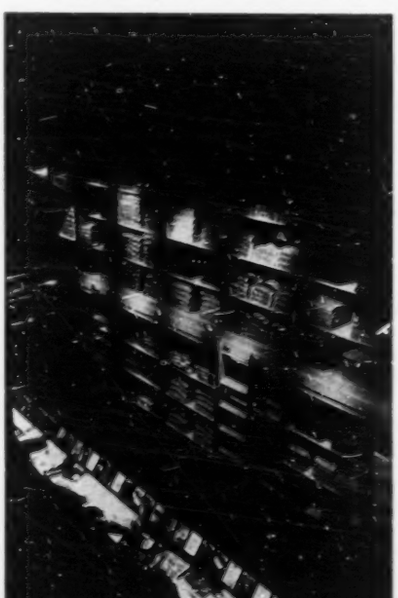
Fizazz . . . sounds like a cross between pizazz and carbonation gone wild. Soft drink marketers might have considered this as a new product name if New York-based Murjani International didn't beat them to it and use it as the label for its retail outlets featuring Coca-Cola Co. licensed apparel.

"We opened our own stores because we wanted to have our own showcase for the clothes," says Carol Fox, Murjani spokeswoman. "This is how shopping will be in the future."

The two Fizazz stores are high-tech retailing wonders. Located in New York and Paramus, N.J., the 1,000-sq.-ft. outlets are decorated in white and gray, with stainless steel fixtures and industrial rubber flooring.

Consumers entering the Manhattan store, located in the heart of chic Columbus Ave., confront two video screens and an entire menu of the store's selection. Select the "women's tops" category, for instance, and a range of sweat shirts, jackets, sweaters and t-shirts parades across the video screen. Pressing the video screen while a top is displayed will provide information on pricing, fabric, sizes and colors. Those who want another perspective can request different pictures of the items that include front and back views and closeups of collars and cuffs.

On the lower floor, a selection of clothes—striped polo shirts, drawstring shorts, miniskirts and tank tops—are arranged cafeteria-style on a stainless steel cart. The bulk of the line is made of cotton and denim in bold primary colors of red, yellow and blue, sprinkled with white and kelly green. The Coke logo shows prominently on some articles; on others it can be found only on the label.



More clothes are stacked overhead in cubicles, sending sales help clambering up ladders to retrieve them. The comfortable and casual line retails for between $30 and $60.

Some of the clothes are whimsical. One t-shirt features a cartoon character with a soda can on his chest and reads "Coca-Cola man to the rescue." Another shirt depicts an island setting where tourists carrying Coca-Cola satchels and luggage confront friendly natives. Other styles, like a white cotton camp shirt or a pair of khaki shorts, represent classic cuts and styles.

Murjani brings out new selections six times a year, a standard practice for women's ready to wear lines. "We feel fresh merchandise is important to make the point that this is not a promotional line, but a real sportswear line," Ms. Fox says.

Murjani expects to open another 50 stores in major markets by the end of this year, Ms. Fox says. The locations are being selected carefully, she says, to avoid conflict with retailers' franchises.

In New York, Fizazz is open seven days a week, until as late as 11 p.m. on Friday and Saturday. In the evenings, the video age meets the wonderful world of retailing as five front window monitors project surreal images—and the clothes—to passersby.

For the ultimate shopper, a 24-hour service using devices similar to automated teller machines reportedly is being considered. Customers would be able to order merchandise, pay by credit card and get next-day delivery.

The stores draw an eclectic customer mix. Recently, before the Manhattan store opened, two teen-age girls, two middle-age Japanese tourists, one Texas cowboy complete with 10-gallon hat and one punked-out young man already were in line. Once inside, the teen agers rushed past the video screens to the cart of clothes downstairs.

"Isn't this terrific?" said one, pointing to a periwinkle-colored vest dotted with the Coca-Cola logo. "What will they think of next?"

—Beth Sherman

didn't work. The clothes were so new and fresh that we needed a whole new concept. We began to visualize a 21st century situation, and that's how the whole futuristic concept evolved."

Meanwhile, Murjani tried to convince retailers that the first large-scale attempt to graft a corporate name onto designer goods would sell and that it would sell best if the stores set aside 450 sq. ft. of floor space to create in-store Coca-Cola clothing shops.

"When we first made the licensing announcement, an awful lot of department stores were unsure that the concept was right for them," Ms. Fox says.

"We held a press conference, and there were no clothes, no designs. All we had was a terrific concept with a lot of research to back it up."

Ten stores, including Macy's in New York, Rich's in Atlanta and Carson Pirie Scott in Chicago, agreed to gamble. Today, 350 retailers have decided they have some extra space for the line and have jumped on the licensing bandwagon.

Murjani's $7 million ad campaign, handled by Lois, Pitts, Gershon, takes full advantage of cross-promotions, special events and tie-ins between retailers and local Coca-Cola bottlers. Philadelphia-based John Wanamaker's, for example, raffled off a car provided by a bottling company. Rich's co-sponsored a fashion show in conjuction with its local Coke plant.

After the line was launched, Murjani ran into another snag. One retailer ran an ad promoting the line as "all-American." That angered U.S. textile manufacturers who said most of the clothes were manufactured in the Far East.

The outcry prompted Murjani to dramatically increase production in the U.S.

New items manufactured in the past six months—such as pajamas, swimsuits, maternity dresses and handbags—have been produced in Murjani's U.S. plants.

The hubbub hasn't kept Coca-Cola executives from thinking foreign thoughts. Although its corporate licensing program currently is confined to the U.S., the company is looking to safeguard its trademark "and plug up any holes in selected European countries," Mr. Gilbert says.

Coke's primary soft drink competitor perhaps has seen a silver lining in the furor over foreign production. Purchase, N.Y.-based Pepsi-Cola Co. is bringing out its own line of licensed apparel this fall. The licensee is VP Corp., New York, the largest publicly held apparel company in America and the maker of Lee jeans. A VF spokesman says the company will play up the fact in BBDO-created ads that the line of contemporary sportswear will be produced entirely in the U.S.

But it may take more than the current fervor for protectionism to catch up to Coke's enviable head start in licensing corporate image apparel. "A lot of companies are going to try to copy Coke's success," Hamilton Project's Mr. Stone says. "But Coke has a definite advantage because it's the first.

"The designs are so great, the visibility is so high," he says. "How do you do it better? How do you top it?"

Those are the questions the licensing and retailing worlds will watch VF and Pepsi grapple with this fall. Perhaps they will prove Pepsi consumers actually are "the apparel generation."

Clothes wear licensing well

1985 retail sales by licensed product type

($ billions)

Product	Sales	% of total
1. Apparel/accessories	$18.03	36%
2. Toys/games	8.52	17
3. Publishing/-stationery	6.01	12
4. Gifts/novelties	4.51	9
5. Home furnishings/-housewares	4.01	8
6. Food/beverages	3.51	7
7. Health & beauty aids	2.25	4.5
8. Computer/video programs	1.25	2.5
9. Sporting goods	1.00	2
Miscellaneous	1.00	2
Total	**$50.09**	**100%**

Source: "The Licensing Letter"

Characters make the most of their short life spans

By Sara E. Stern

Rainbow Brite has taken it upon herself to rid the world of evil. With the help of seven "lieutenants," this little girl keeps a vigil, spreading color and happiness to children and adults everywhere: A pretty tall order for a 3-year-old.

But Rainbow Brite is old beyond her years. Since her introduction in 1983, the vividly clad sprite, her colorful co-workers, her pony, Starlite, and a villain named Murky Lurky have appeared on hundreds of products in 80 categories, including children's clothing, greeting cards, ready-to-eat cereal and toys.

She also has starred in 13 animated tv specials, a five-part tv miniseries and two feature-length movies. And she's made a special appearance in the form of a helium balloon at the 1985 Macy's Thanksgiving Day Parade in New York. This girl has gotten around.

While an estimated $600 million has been made from the sale of Rainbow Brite-related products—toys accounted for $300 million in sales—executives at Hallmark Properties, the St. Louis-based licenser, anticipate her demise in 1988 at the ripe old age of 5.

"When a character is introduced, the possibilities for licensing are endless," says Jim McDowell, Hallmark Properties director-marketing services. "But three years is a long time to keep the spirit and the storyline of a fictional character fresh."

Children's short attention spans and the recent glut of licensed characters on the market keep even the most popular licensed characters in the spotlight usually for only one or two years. Mr. McDowell named only the Walt Disney, Looney Tunes and Peanuts characters as timeless personalities.

According to New York-based Toy Manufacturers of America, an average of three years and $2 million is spent developing a character whose life span is two years. The rewards are worth it, Mr. McDowell says.

For example, in 1983 Mattel Toys, Hawthorne, Cal., introduced Rainbow Brite dolls and accessories with $15 million of advertising support from Ogilvy & Mather, Los Angeles. The company more than recouped its investment. By the end of 1983, $110 million worth of units were sold, representing the best selling first-year product line in Mattel's history.

"Hallmark will undoubtedly introduce another character to the Rainbow Brite line next year, but nothing at this point will help to stir up awareness or sales," says Harvey Levin, vp-marketing/entertainment communications, Those Characters from Cleveland.

"A company can try to make a few more dollars introducing

©1986 TCFC

The end is in sight for Those Characters from Cleveland's line of Care Bears plush toys.

line extensions, but that's all they'll make," says Murray Altchuler, executive director, Licensing Industry Merchandisers Assn., New York. "The consumer—and specifically the child—is the final judge in determining if there's a value between the property and the product, not the licensee."

Rainbow Brite will live a long life—at least for a licensed character—thanks to home video movie sales, Mr. Altchuler says. Rainbow Brite is selling well in the paper goods and home video categories, Mr. Levin agrees, "but she's dead in the water as far as toy retailers are concerned."

Mr. Altchuler says, "Once a character's uniqueness has no value, get off the pot and create a new one!" While there are about 3,000 licensed characters in circulation today, only 75 of them are recognizable, he says. Next year, the same 75 characters probably will be replaced.

The glut in the licensing market is the direct result of too many licensers holding onto characters that are long past their prime, Mr. Levin says. TCFC's primary character properties—Care Bears, Herself the Elf, Holly Hobby, Sherman on the Mount and Strawberry Shortcake—are still alive in retail, although most have been around since the American Greetings subsidiary formed in 1981.

The company thrives on creating new characters to keep up with children's changing tastes. TCFC's newest creation —Popples, bear-like creatures that can be folded inside a pouch—has been licensed by 50 companies and will appear on everything from knapsacks to children's clothing. A plush toy version of Popples is being marketed by Mattel and supported with a $10 million ad campaign via Ogilvy & Mather, Los Angeles.

TCFC's Care Bears plush toys face a dim future, Mr. Levin says. The original line of pastel-colored cubs was introduced in 1981. Since then, several plush varieties by Kenner Products, Cincinnati, have been introduced successfully with $10 million in ad support from Dancer Fitzgerald Sample, New York. The Care Bears also have starred in two feature-length animated movies.

This success won't last, he says. "Longevity is not like it used to be," Mr. Levin says, adding he's surprised the plush line of Care Bears is still popular after five years. He attributes the license's success to the wholesome, timeless Care Bear storyline. "Characters like Care Bears, and I guess Rainbow Brite, too, have emotional appeal to little girls, boys and parents. They—or characters like them—will be popular long after the war toy craze is over."

Toy Manufacturers of America estimates 50% of licensed character sales can be attributed to toy versions of the product. "It isn't a surprise when a licensed character disappears one year after its toy counterpart has been pulled from the toy shelves," says Thomas Murn, editorial director, *Licensing Today*, New York.

"For every character introduced each year, one character should be eliminated," Mr. Murn suggests. That way, only those characters "in style" would be featured in stores and cartoons, he says.

A spokeswoman for Taft Productions, Cincinnati, the company that produces "Smurfs," disagrees. The company has had the top-rated children's animated program five years in a row even though the licensed toy products produced by the Applause division of San Diego-based Wallace Berrie Co. virtually disappeared after one year on the market.

"A toy's play value and the success of a cartoon based on that toy can't be compared," she says. "They appeal to children for different reasons."

Impressions from the cabbage patch still fresh

Cartoon Q rating* for characters used primarily in licensing

Character	Girls 6-11 yrs.
Cabbage Patch Kid*	75%
Care Bears	57
Smurfs	56
Rainbow Brite	56
Wuzzles	52
Strawberry Shortcake	48
Snorks	42
Herself the Elf	35
Holly Hobby	29
Avg. character	**41%**

*Cartoon Q Rating: % of sample rating character "one of my favorites" divided by % who are familiar with character. Source: Marketing Evaluations, Port Washington, N.Y.

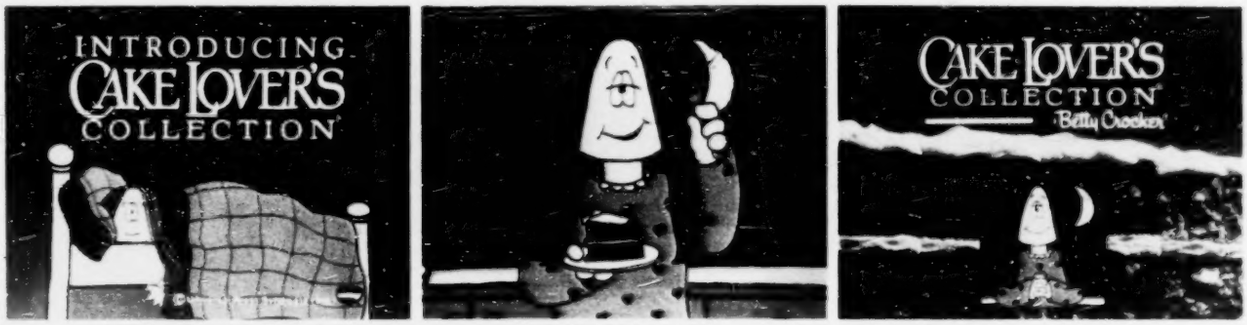
Advertisers draw cartoons into endorsements

By Anita Busch

Happiness is a warm insurance policy—and a lucrative contract as an advertising spokescharacter. Snoopy, Charlie Brown, Garfield the Cat, Dennis the Menace and Cathy are only a few of the many cartoon characters that have found themselves taking on jobs that in the past were reserved for members of Actors Equity Assn.

> ***"... you know [characters] aren't going to embarrass the sponsor with such things as divorce."***
>
> **Jeff Brown**
> **Mark McCormack**
> **International Management**

Licensed characters now endorse everything from insurance to cake. Licensing agents don't seem to worry about promoting their characters' advertising abilities because companies increasingly are approaching them to contract characters as product endorsers.

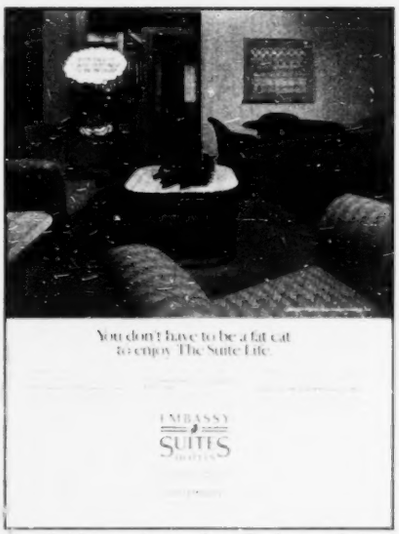


General Mills' Betty Crocker division hopes some of Cathy's widespread appeal will transfer to its new cake mixes.

Not only does this give the licensed character more exposure and increase the recall factor for the advertised product, but sales of other licensed products that bear the character's name usually are affected positively.

Jeff Brown, merchandising executive, New York-based Mark McCormack International Management Group, which handles licensing for Dennis the Menace, says his character's gig as a spokesperson has had a positive influence on sales of other Dennis-licensed products. The exposure also helps to license the blond menace in other product areas, he says.

"[Using Looney Tunes characters] gives ad support, creates more awareness of the product and more exposure for the characters," says Len Reiter, director-marketing, Licensing Corp. of America, which handles Looney Tunes characters. Sales of other Looney Tunes products also have been helped, he says, although declining to release exact figures.



Garfield was just what Embassy Suites needed. The animated cat loves to eat, sleep and rest.

"We see [this aspect of character licensing] as an area that has an opportunity for expansion," says Mike Georgopolis, senior vp-licensing for New York-based United Media Licensing.

The reasons are obvious. Marketers are finding these endorsers have established followings and wide appeal. They also work at a fraction of the cost of their human counterparts, and their egos are more difficult to bruise.

Costs could reach anywhere from $500,000 to $1 million per year when using a popular living spokesperson, says Roger Richman, president of Roger Richman Agency, Beverly Hills, Cal., which licenses the rights to such legends as Marilyn Monroe, W.C. Fields, Albert Einstein, Clark Gable and others. He cites the recent reported $15 million contract Pepsi-Cola USA offered Michael Jackson to represent its products.

The cost of using the licensed legends he represents ranges in the "low five figures per year," Mr. Richman says. None of the agents for the cartoon spokescharacters would provide their characters' salaries as endorsers.

It may be characters' emotional and social stability that makes them most appealing to advertisers. "The benefit in using [characters] is that you know they aren't going to embarrass the sponsor with such things as divorce or ... a drug problem. You also don't have to worry about them falling in and out of favor with the public," Mr. Brown says.

The risk is lower, agrees Mr. Georgopolis of United Media, which handles Peanuts characters and Garfield. "A cartoon is a known entity, the value is there—a proven value for a given entity."

Not every company that wants to use a certain character is granted permission, however. United Media Licensing is very particular about what product and company Garfield or Peanuts endorse, Mr. Georgopolis says. "We've had to turn companies away. We know what image we want to represent with the characters."

Garfield's image, a fat cat with an insatiable appetite for the good life, has universal appeal. Since his debut with his creator Jim Davis in American Express' "Do you know me?" campaign, the famous feline has been pursued by numerous companies that wish to employ his charm and dry wit. Garfield's latest campaign as spokescat for Embassy Suites, a Holiday Inn subsidiary, employs this uninhibited, unabashed sense of humor.

"We had been testing several different campaigns; we even considered using a spokesperson," says Judy Heinrich, director-communications, Embassy Suites, Irving, Tex. "Garfield tested real well with consumers. His character very much demands attention: He loves to eat, sleep and rest."

Being able to fulfill those needs at a low price is precisely the idea Embassy Suites wanted to convey in its ads, created by Stern/Monroe, Dallas, and tag lined "You don't have to be a fat cat to enjoy The Suite Life." Garfield lounges in one of Embassy's suites and later sits down to a huge, free, cooked-to-order breakfast. With a broad grin and yawning eyes, the pampered cat's personality surfaces as he sighs, "Let's face it, I was destined to be spoiled."

> ***"A cartoon is a known entity, the value is there—a proven value for a given entity."***
>
> **Mike Georgopolis**
> **United Media**

For Metropolitan Life Insur-

(Continued on Page S-10)

Crain Communications Syndicate associate editor Anita Busch, like Garfield, has an insatiable appetite for the good life, but she has yet to garner an endorsement contract.

It's a dog's (and fat cat's) life

Cartoon Q rating* for characters used as spokesperson

Character	6-11 yrs.	12-17	Females 18-49	Males 18-49
Garfield	70%	64%	47%	38%
Snoopy	58	49	52	39
Pink Panther	45	33	30	32
Road Runner	42	30	38	47
Dennis the Menace	37	29	26	22
Cathy	32	22	33	17
Avg. for cartoon/-comic strip characters	**43%**	**26%**	**22%**	**19%**

*Cartoon Q Rating: % of sample rating character "one of my favorites" divided by % who are familiar with character

Source: Marketing Evaluations, Port Washington, N.Y.

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Cartoons drawn into endorsements

(Continued from Page S-6)
ance Co., New York, Peanuts characters provide integrity and recognition. "Wholesomeness, integrity, family security and longevity can be represented through Peanuts characters," Mr. Georgopolis says. "Insurance companies have had a hard time finding a memorable graphic appeal. Peanuts provides this."

Met Life has been employing Peanuts characters since January, 1985. After trying numerous campaigns, Met Life chose Peanuts in an effort to establish an image as an innovative insurance company.

"After a fair amount of research, we decided on using the Peanuts characters," says Bob Weinstein, assistant vp-advertising. "The key thing in using Peanuts is that it separates us from the others in our industry. We were able to break through the ad clutter and make us look innovative in the conservative insurance industry."

Minneapolis-based General Mills' Betty Crocker division selected Cathy to promote the Cake Lover's Collection, a new premium layer cake mix.

Some of the criteria for the Cake Lover's spokesperson was that he or she be well known and have widespread appeal. Cathy filled the recipe, being syndicated in 500 newspapers that reach 50 million readers nationwide.

"[Cathy] has an established following and a consistent track record," according to Tom Drape, New York-based Universal Licensing, which handles Cathy. "She provides humor and warmth, broad appeal and attracts a younger audience."

Cathy Guisewite, who created Cathy in 1977, has been very involved in all aspects of her character's licensing. She is very active in advertising, marketing and promoting Cathy as are cartoonists Charles Schulz, Jim Davis and Hank Ketcham, the man behind Dennis the Menace. The creators retain final approval over licensing projects.

Fast food franchises also have realized the benefits of using licensed cartoon characters as spokespeople. For instance, Atlanta-based Arby's has been using United Media Licensing's Mr. Men & Little Miss since June, 1984. Mr. Men & Little Miss "is the longest running, intellectual ad for a restaurant of this type," Mr. Georgopolis says.

Arby's features these characters in ads and on meal boxes packaged for children. Called Arby's Adventure Meal, the box might have a crossword on one side and fun facts on the other.

"There is an element of education. Through their whimsical quality of human nature they teach children," says Sherri Shapiro, Arby's manager-marketing communications. "These characters appeal to children, but because it has a moral base, adults and parents like it too." The characters are extremely popular with teachers and are used as an educational aid, she says.

Dennis the Menace has been plugging Dairy Queen restaurants since the summer of 1971. As the No. 1 syndicated cartoon panel, according to Mark McCormack's Mr. Brown, the mischievous towhead has the apparently universally desired qualities of high recognition and unlimited age appeal.

Dennis is perceived as an all-American 5-year-old, he says. "It's easy to relate to someone in Dennis' world." He's been used mainly for family-oriented products like Rydelle Laboratories' Rhuli antiseptic cream; the American Dairy Assn.; Michigan Apple Growers Assn., and Encyclopaedia Britannica to name a few.

General Mills will use the overall-clad menace on 20 million boxes of Cheerios cereal beginning in the fourth quarter of this year, according to Chris Halwell, director, Dancer Fitzgerald Sample program exchange, the agency's syndication arm. This will follow an animated series starring Dennis that is set to debut Sept. 27.

General Mills "was searching for a well-known, nonviolent, nontrendy character that was not yet used by a toy company," Mr. Brown says. Dennis the Menace was the perfect choice.

This year the Trix rabbit will meet up with the hare-brained wit of Bugs Bunny in commercials. Bugs isn't the only Looney Tunes character to be used in ads. Bristol-Myers' Renuzit and McDonald's Corp.—for its McDLT—have adopted Pepe LePew as a spokesperson. Six Flags Corp., MTV: Music Television and Coca-Cola Co. all have used Looney Tunes animated characters to identify their services or products, and the Roadrunner can be seen in Hershey's "One of the all-time greats" commercial.

Although Mr. Richman is the man responsible for licensing the characters for the Hershey's commercial, he knows as well as anyone that licensed spokescharacters do not have to be illustrated creations.

His Hollywood legend properties currently appear in 14 different ad campaigns. Maxell videotapes recently signed a three-year contract for the rights to use the image of Marilyn Monroe in a Scali, McCabe, Sloves-created print campaign that will break in July.

Advertisers are using these famous faces for the recognition factor and to translate the star's personality to the company's image. "The stars are licensing legends that live forever," he says. "The recall is tremendous."

Their pen-and-ink counterparts possess the same pulling power. "Since we introduced the Garfield campaign, [toll-free number] call volume has increased over 58% from 1985, and this is directly attributed to Garfield," Embassy's Ms. Heinrich says.

Metropolitan Life performs an annual survey that tests slogan, ad and message recall and ad awareness. "They all had significant increases since the Peanuts campaign was introduced in January of '85," Mr. Weinstein says.

With performance like this, and barring any sudden submission to drug addiction by Charlie Brown and the gang, these and other animated characters will continue to find advertising a rewarding outlet for their talents.

Lots of life in Hollywood legends

Marilyn Monroe would have turned 60 June 1. With the birthday commemoration came a flood of Marilyn memorabilia—and a deluge of business opportunities.

Roger Richman, president of the Roger Richman Agency, Beverly Hills, Cal., which represents the legendary sex symbol, says many ad agencies have contracted Ms. Monroe's image to push their products. Coca-Cola Co., Eastern Air Lines, Hershey Foods, Maxell Corp. of America and Max Factor & Co. are using Ms. Monroe's likeness in ads for at least one of their brands.

In addition, Limited Express, a 200-store unit of Columbus, O.-based Limited Inc., will introduce 23 Marilyn Monroe accessory items July 1. The Limited promotion "should establish Marilyn Monroe as a fashion trendsetter," Mr. Richman says.

In addition, the Richman Agency has apparel licenses with New York-based Butterick Co. for dress patterns and Dector Mannequins, Los Angeles, which manufactures Marilyn Monroe look-alike mannequins. In May J.C. Penney Co. began a six-month Marilyn-style promotion in 1,800 stores.

The trend of using Hollywood legends to push products is accelerating, Mr. Richman says. Because they are legends, he says, their marketable life spans are endless, creating enviable recognition and recall value.

Since the California Celebrity Rights Law went into effect in January, 1985, more marketers are turning to these old stars for advertising, he says. Mr. Richman, who is known as the father of the law, says it guarantees advertisers exclusivity, prohibits the unauthorized use of licensed legends and clarifies the previously vague legal statute. The previous law had been around 14 years and did not include protection of both current and past celebrities' voices, signatures and photographs.

When the subject is Marilyn Monroe, once the signature, voice and photographs are plundered, there's not much left to steal. —*Anita Busch*

Hollywood legends have endless marketable life spans, creating enviable recognition.

Max Factor & Co. is just one of many marketers to use Marilyn Monroe's image.

"... integrity, family security and longevity can be represented through Peanuts characters."
Mike Georgopolis
United Media

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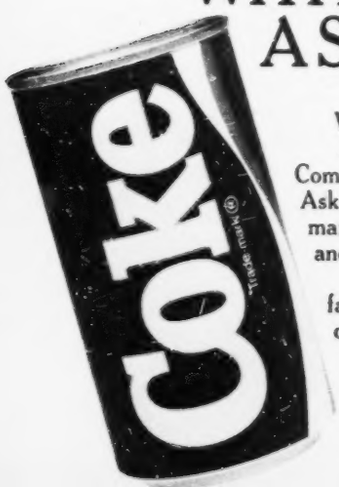

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Spokescritters speak up from retail shelves

By Julie Franz

Ralston Purina's activity in creating cereal concepts can be characterized quite easily: Buy, buy, buy, buy, buy, buy.

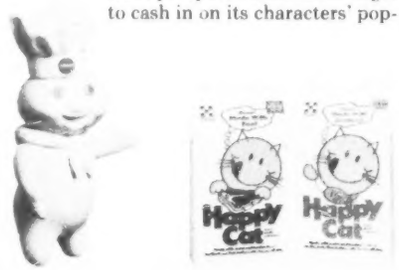
In rapid succession, the company bought the rights to Cracker Jack, Sun Maid, Cabbage Patch Kids, Rainbow Brite, G.I. Joe Action Stars and Ghostbusters, creating ready-to-eat or instant hot cereals based on those licensed concepts. With the St. Louis-based company poised to begin testing a product called Nerds, based on a newly created licensed character, it is easy to see licensed cereal products have become a stalwart in Ralston Purina's competitive battle with market-leading Kellogg and General Mills.

Recently Ralston took a different tack by selling the rights to its Purina Happy Cat cat food logo. In March Ralston hired Joan Hansen & Co., a New York-based licensing agency, to help the company strike deals with licensees interested in the happy-faced kitty.

Ralston joins a host of other food and consumer product companies that have begun selling their logos or corporate spokescritters to gain exposure. While the phenomenon isn't new, it is accelerating as consumer product concerns become more aware of corporate licensing. Happy Cat joins the likes of Pillsbury's Pop 'n Fresh Doughboy, Quaker Oats Co.'s Cap'n Crunch, Hershey Foods' Kisses, Lever Bros.' Snuggle Bear, Campbell Soup Co.'s Campbell Kids and Kellogg's Tony the Tiger.

These food and consumer product companies did not start with a licensed concept and then create products around them. They began with corporate or brand logos and spokescritters and suddenly discovered they had much more on their hands than a label graphic or a cute character for advertising purposes.

Kellogg began its corporate licensing program in the early 1980s, responding to consumer demand for products with Tony the Tiger, Toucan Sam and Snap, Crackle & Pop, all Kellogg product spokescritters. The company also was looking for a source of special gifts for shareholders and feeling the pressure from prospective licensees eager to cash in on its characters' popularity, a company spokesman says.



Pillsbury's Dough Boy, Ralston Purina's Happy Cat and Lever Bros.' Snuggle are turning up on consumer products.

A few years later, consumers now can buy pencil boxes, lunch pails, mugs, dish towels and various other items brightly emblazoned with Kellogg trademarks.

New York-based Lever Bros. is working on a contract to license its Snuggle Bear, the squeaky-voiced teddy that represents Snuggle fabric softener.

The logic behind the licensing is not uncommon: Protect the legal trademark. Beyond that, every Snuggle Bear that makes its way off the tv set and product package and into kids' toy boxes compounds the number of consumer impressions for the product and generates additional revenue.

Experts differ on whether corporate licensing is lucrative. While most corporations seem to minimize the importance of the additional income, licensing consultants are quick to point out the "purity" of licensed products' income stream.

The rule of thumb in licensing agreements is that 6% of every $1 million in licensed product sales goes to the licenser as well as an initial fee for the use of the license, says Joan Hansen, president of Joan Hansen & Co.

Return on investment can be higher, says Glen Konkle, president, Equity Management Inc., Palatine, Ill. EMI helped Quaker Oats create licensing opportunities for its Cap'n Crunch character. Returns can run as high as 400% to 500% after the first year and rise to 10,000% thereafter, he says, because corporations already have developed their logo or spokescritter and have built a strong brand franchise, something products created specifically for licensing have to spend money doing.

Expanding into unfamiliar product segments is another benefit of corporate licensing, says Milton Schulman, editor, *The Licensing Book*, a New York-based trade publication.

Happy Cat products will spread the whiskered yellow smiling face onto pet toys by year's end. Children's apparel, t-shirts and sportswear also are possibilities, Ms. Hansen says. The pet toys will be sold through pet stores, an outlet Purina doesn't use to sell its pet foods. Distribution there will expose the Purina Happy Cat name to consumers who ordinarily would not see it in that retail environment, she says.

Licensing also has its pitfalls, most often failing because the products are ill-conceived, says Seth Siegel, vp, Hamilton Projects, a New York-based licensing consulting company. "You can't stick a trademark name on products that look like premiums," he says.

Companies contemplating licensing ventures have to patiently stick to their initial strategies, Mr. Siegel says. Most efforts flop because too many different products featuring the spokescritters hit the market at once without a logical plan of introduction. Consequently, the consumer becomes overwhelmed, he says.

Although he won't identify them, EMI's Mr. Konkle says two projects involving the licensing of spokescritters never saw the light of day because both were viewed by consumers as "obvious exploitations. There were just no logical links in consumers' minds between the main brands and other products," he says.

EMI uses a research-based approach to licensed product development. The company uses groups, measuring the strength of a brand's image through psychological testing with individual consumers.

Corporations face the nightmare of a failed licensing program causing a backlash for the main brand, one expert says. "Consumers can become cynical or antagonistic about a licensed product, therefore lowering the image of the main brand." Luckily, he says, the market has not seen such a case.

Corporate-licensed logos and spokescritters face tremendous competition from products created for the sole purpose of licensing, like Hallmark Cards' Rainbow Brite, one industry expert says.

"Those companies hit the market with huge amounts of promotional dollars. If a corporate-licensed product isn't up to quality standards or isn't backed with enough bucks, who's going to buy it? Consumers won't buy junk and retailers prefer to stock a phenomenon like Strawberry Shortcake rather than a sub-par Keebler Elf doll, for example," the source says.

Spokescritters also fight an uphill battle with parents, another industry source says. "Those characters may be juvenile oriented, but the purchase is parent powered. Research shows that parents are resistant to bringing a character into their homes that's a spokescritter," the source says. "Parents have been trained to see licensed items with spokescritters as closeout sales on back-of-the-cereal box premiums."

Marian Garrison, manager-special projects for Camden, N.J.-based Campbell Soup Co., disagrees. In Campbell's case, so many parents grew up with the Campbell Kids, she says, they welcome licensed products that carry the Twins' image as momentos of their childhood. Collectors scramble for limited edition licensed items for some

The doughboy makes his point

Cartoon Q* rating for product characters

Food product	6-11 yrs.	12-17	18-49
Poppin' Fresh	50%	42%	39%
Charlie Tuna	42	29	31
Tony the Tiger	47	26	25
Keebler Elves	41	28	25
Nestle's Quik Bunny	52	31	25
Little Sprout	35	19	26
Snap/Crackle/Pop	48	27	22
Campbell Soup Kids	32	17	22
Planters Peanut Man	41	17	15
Cracker Jack Sailor	36	15	13
Cap 'n Crunch	38	21	11
Non-food product			
Snuggle	55	40	32
Scrabble People	43	19	22
Mr. Bubble	44	23	15
Sud Z. Lemon	42	23	13
Product character avg.	**53%**	**32%**	**21%**

*Cartoon Q Rating: % of sample rating character "one of my favorites" divided by % who are familiar with character.
Source: Marketing Evaluations, Port Washington, N.Y.

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Putting muscle into trademark protection

By Don Veraska

A corporation's trademarks and logos are valuable commodities. This value promoted even typically long-winded law makers to distill their thoughts into a coherent statement on the subject.

A Senate Judiciary Committee report on the Trademark Counterfeiting Act of 1984—created in part to correct inadequacies in the level of protection provided to corporations via the Lanham Act—put it clearly: For consumers, trademarks represent "a uniquely reliable source of information about potential purchases. For manufacturers, trademarks crystalize the reputation that they built up in the past and ensure that satisfied customers will know where to come back for more."

The dollar value of the reputation represented by a logo often is difficult to determine. But any company that exchanges its emblem for royalties on licensed goods sales quickly begins to tally in black and white the value of its corporate and brand symbols.

While trademarks are valuable, they also are fragile entities. By themselves, trademarks essentially are useless.

"All the little trademark TM designation says on a product is that I am claiming this as a trademark, that I am making an ownership claim to this name," says Seth Siegel, a lawyer and vp with licensing agency Hamilton Projects, New York. "The issue is not who registers a trademark first, but who uses it first. That use gives you a superior mark; it allows you to register it for a specific use."

A company or product with a well-known trademark—a Jack Daniel's whisky or a Harley-Davidson Motor Co.—has two means of protecting and reinforcing its trademarks. It may license that trademark for use in various products, then register its use in that category with the U.S. Patent and Trademark Office. This procedure protects against unauthorized use of the trademark in the product category and further establishes the basic corporate trademark. It also can be a corporate money maker.

Companies also can be diligent in guarding against illegal trademark use when it occurs, which means monitoring the marketplace and taking civil or criminal action when the companies encounter illegally trademarked goods. Failure to protect corporate logos against illegal use theoretically can result in the loss of the trademark.

The potential to lose revenue unfortunately is very real. Arnold Bolka, publisher of "The Licensing Letter," a Scottsdale, Ariz.-based licensing newsletter, estimates companies are losing about $20 billion annually from unauthorized copyright infringement. He labels this the industry's No. 1 problem.

Despite the $20 billion loss, companies appear to be doing little to improve the situation and enlarge their coffers. "Given that licensing involves two of the corporation's most sacred assets—its name and image—it is shocking that so little effort is committed by many corporations to the issues of control and license management," says Weston Anson, president, Marketing/Trademark Consultants, La Jolla, Cal.

Using an educational campaign, such as this from Mattel Inc., is one way to fight counterfeiters.

Corporate licensers have been lax in monitoring even their legal licensing arrangements, says Edward Albert, president, Licensing Management Group, New York. "Most companies just don't know what licensing is about. Somebody convinces them it's easy, but the companies aren't prepared to administer it."

When a company launches a licensing program, the licensees typically "do whatever they want to do," he says. "Licensees, after all, are independent entrepreneurs, used to running their own businesses. So you get a rough period. Maybe a year into their licensing business, the licenser has to catch up, to establish rules, to try to track the licensed products. They don't understand the significance of licensing until there's a problem."

The problems primarily arise from companies' failures to monitor licensees, he says. The results of this *laissez faire* posture are inferior products and marketing procedures or advertising practices that hurt the licenser's image, trademark and brands' marketplace performance.

It is rare when either the licenser or a licensing agency runs a licensing business adequately, Mr. Albert says, "as a tight ship, using the licensee to improve his business."

Hamilton Projects' Mr. Siegel disagrees, saying few companies have problems with the licensing business, particularly if that business is handled by a reputable licensing agent. It's all a matter of procedure, he says.

"You start with the licensing agreement, making sure by the contract that the licensee acknowledges your exclusive right to your trademarks, that they won't challenge your ownership of the mark," Mr. Siegel says. "You carefully supervise the creation of products, making sure the licensee is complying with the contractual obligations involving the creation, distribution and sale of the products and using appropriate trademark notices. Which is to say that they are exercising the use of your property in the correct manner."

The contract between licenser and licensee, he says, is the starting point, "a good road map that spells out the obligations of the licensee." The licenser or his

(Continued on Page S-14)

Minneapolis-based Pillsbury takes its own approach to protecting its equity in the Pop 'n Fresh Doughboy.

While several products with the Doughboy and Pillsbury's Best logos are on the market, Pillsbury put them there—not any licensee.

"We don't license our trademarks. We never have and we never will," a Pillsbury spokesman says. "We don't want to lose control over [the trademarks] or their image."

Pillsbury has been approached by prospective licensees on numerous items, but has never taken them up on their offers. Staples traditionally do not command strong brand loyalty, which is essential in licensing-related products. Pillsbury's primary products are staple items, like flour, he says, and "Who's to say that's [General Mills'] Gold Medal flour or ours in a canister bearing our name," he says.

Handling its own licensing gives Pillsbury more control over the number of items on the market. When the company oversees each item's production and distribution, it knows quickly when copyrights are being pirated, the spokesman says, rather than have to rely on its licensees to police the market.

The company also can control more effectively the marketing of the licensed items. "Marketing people usually want to make it a whiz-bang promotion to sell the product," he says. "But if they go too far and offend the public's sensibilities, that reflects on the brand franchise whose income is infinitely more valuable than that of the licensed product."

Companies seeking licenses cannot convince Pillsbury that licensed products will affect the main brand's sales. "I ask them, 'If I let you use the Pillsbury's Best on a flour canister, how much will it affect my sales?' They can't even tell you if sales will be up, down or a washout," the spokesman says.

Statistics reporting the long-term impact of a licensed item are not available, he says. "Does it last two days, two weeks or until the [competitor's] next coupon comes out?"

Pillsbury also is concerned about the risks involved in licensing. Should a licensee fill a Doughboy cookie jar with tainted product or a child swallow the button that made the Doughboy's eye, the consequences could be monumental, the spokesman says.

Consultants continue to stress that licensing plans must be undertaken with care, considering existing marketing trends. "If a product ends up looking like a premium offer, I flatly predict it will fail," Hamilton Project's Mr. Siegel says.

But with companies always willing to walk new revenue avenues and corporate licensing's continued role in building brand identity and loyalty, more companies will continue to see if they can squeeze more dollars out of their doughboys and other

Don Veraska is a free-lance writer based in the Washington,

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Trademark protection

(Continued from Page S-13)
agent, Mr. Siegel says, should inspect and approve the use of anything having to do with the licensed product, press releases, advertising, packaging and even the product hang tags.

The Licensing Management Group has developed a system of 14 computer programs designed to help licensers monitor all aspects of their licensing program. "Right now," Mr. Albert says, "the major licensing agencies are only mechanized to the point of collecting royalties. Our computer programs are geared to ensure that licensers understand all aspects of the business—product approval, royalties, sales and advertising."

The computerization eliminates the need for a large staff to police a licensing program, he says. In addition, illegal or unapproved trademark usage in court is easier to substantiate through the computerized records.

Both Mr. Siegel and Milton Schulman, editor of *The Licensing Book*, New York, argue that illegal trademark use is more of a problem than is inadequately policed legal licensing.

"Legal licensing use is usually a very carefully controlled area because a trademark is such a valuable product to protect," Mr. Schulman says. "Where there are problems is in the illegal knockoffs—product areas where things can be gotten out quickly, inexpensively, like paper-product items and t-shirts."

The counterfeit problem is very sophisticated, Mr. Siegel says, involving not only "multimillion-dollar criminal organizations engaged in systematic counterfeiting operations, but the fly-by-nighters who use a silk-screen press in their garage and sell t-shirts from pickup trucks at campgrounds."

A licenser can protect its trademark against illegal use in a variety of ways, Mr. Siegel says. "The most important is to run an educational campaign, which we do for our clients, with warning notices and trademark notifications in appropriate magazines and publications." Second, he says, notify the U.S. Customs Service about clients' licensing programs, keeping them informed about the possibility of foreign-produced illegally trademarked goods. Finally, licensing agents and licensers should educate retailers to buy only authorized licensed products.

Typically retailers that unknowingly buy illegally licensed goods only will be asked to pull the bogus products off the shelves. A few years ago Hamilton Projects discovered a major retailer was innocently selling thousands of "Where's the Beef?" t-shirts that were not licensed by Wendy's International. "We notified the retailer and the products were pulled. Word spread in the retailing industry, and retailers started calling us to make sure that so-and-so was an authorized source of licensed goods."

> ***"Legal licensing use is usually a very carefully controlled area . . . ."***
>
> **Milton Schulman**
> ***The Licensing Book***

Two companies that have taken different approaches toward licensing their trademarks are Harley-Davidson Motor Co. and Jack Daniel Distillery, although both have had their problems with illegal trademark ripoffs.

Allen Hovious, director-marketing coordination and communications at Jack Daniel, Lynchburg, Tenn., says while illegal products with the company's trademark are still found, the problem's severity has declined. For some 15 years, Jack Daniel has contracted with outside companies to produce branded products and has sold them at the company-owned Lynchburg Hardware & General Store and through The Company Store, a California wholesaler. No licensing was involved in these operations.

Jack Daniel's first major licensing operation began this spring with the marketing of grilling charcoal by a Tennessee company. The charcoal will carry the Jack Daniel's name, but not its familiar whisky bottle logo.

Mr. Hovious says Jack Daniel seldom has found it necessary to take legal action against legitimate retailers found selling unlicensed Jack Daniel's products. "Mostly, it's just a case of cease-and-desist letters to the retailers," he says.

Harley-Davidson's licensing enforcement program is more aggressive. The company has contracted with 40 licensees to produce products ranging from sportswear to school supplies to gold jewelry.

"We've been in this some three years," says John A. Heiman, manager-trademark licensing at the Milwaukee.-based company. "We became aware four or five years ago that we were being knocked off."

Harley-Davidson maintains a strong internal police force to guard against unlicensed products. "But our biggest police force are the sales marketing branches of our licensees," he says.

"Our intent is not to put people out of business but to uphold our trademark."

Harley, Mr. Heiman says, has not taken criminal action against counterfeiters, but has filed dozens of civil actions to get illegal products off the market. Kansas City, Mo.-based Hallmark Cards has been diligent in protecting its licensed trademark.

Special events may be a hot flash in the pan

By Joanne Y. Cleaver

Not all observers of Halley's comet cast their eyes toward the heavens. Some set their sights a bit closer to earth, eyeballing wallets and focusing on the excitement generated by the celestial snowball's visit and the licensing opportunities it created.

Joanne Y. Cleaver, a frequent contributor to Special Report, wrote the overview for last year's Licensing Special Report.

But marketers don't have to wait 75 years to take advantage of a one-time event. Special events—even man-made ones—offer licensing opportunities.

Many rules of thumb for being linked to one-time happenings run contrary to traditional licensing wisdom, however. As one-shot deals, the ability to merchandise them is tightened by time constraints.

Limited also by geographic location, the manpower and investment required often cannot be justified by the potential returns, one source says. For this reason he suggests licensers become involved in only large-scale events in major cities, or those that transcend metro boundaries such as the Statue of Liberty restoration.

The process of generating momentum for the properties also often cannot be controlled by the licensee or the licenser.

Still, special events offer a chance for companies to ride the swell of public interest events create. "Events have extremely high exposure and high emotional appeal," says Michael Stone, president of Hamilton Projects, New York. "Sponsors and licensees can take advantage of it to promote their products. There are lots of ways to associate a product with an event—advertising, point-of-purchase, packaging."

Tight planning is crucial. In other licensing situations, demand for the product is spurred by marketing until it runs its course. Events have shorter, more defined life cycles.

Many special events have specific licensers; regular sponsors of an event have a natural jumping off point for merchandising, says Michael Chesler, merchandising executive with Cleveland-based International Management Group.

For example, the All England Lawn Tennis and Croquet Club began to capitalize on interest in the Wimbledon Tennis Championship five years ago. In the U.S., tennis clothing and accessories, tagged with an official Wimbledon logo, sold well enough that a line of casual wear was added.

Everything from cosmetics to leather goods bearing the Wimbledon logo sells briskly year-round in Japan, Mr. Chesler says. The "Flying W" logo was created for merchandising the tournament's image, and licensees are on every continent but South America.

"Inherent in the name and event is a certain imagery that consumers like to be associated with," Mr. Chesler says.

The ownership of promotional rights to other happenings may be fuzzier, especially when the event is in the public domain. For example, at least three separate licensing campaigns have been created around the October America's Cup yacht race, and each is as legal and legitimate as the other.

Special events, such as the return of Halley's Comet, offer licensing opportunities.

In such cases, participating licensees actually are buying the licenser's interpretation of the public domain event—not exclusive rights to be linked to the event. "There will be some overlap in merchandising," says Len Mizerek, president of New York-based Mizerek Inc., a licensing agency that created a "Spirit of America" program to capitalize on the America's Cup race. "But the markets are big enough," he says.

Mr. Mizerek says his licensees need to establish their lines quickly in distribution channels to avoid competition from other America's Cup logos.

The Statue of Liberty also is in the public domain, but the logo for the "Keep the Torch Lit" license was created by Hamilton Projects. Mr. Stone says he first lined up a handful of well-known corporate spon-

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The company ran ads in trade publications late last year noting its ownership of the Rainbow Brite character, used both in greeting cards and licensed to Mattel to produce dolls. "Running ads is a common thing for a company to do when they develop a popular product like Rainbow Brite," a Hallmark spokesman says. "We hope to avoid litigation."

The company couldn't sidestep other litigation, when it was forced to defend itself in a federal court suit in March. The complaint, which Hallmark won, was filed by a Missouri woman who claimed Rainbow Brite closely resembled a character she had developed.

Hallmark also won a federal court infringement suit against a Kansas City automobile dealership named Hallmark Dodge. It also has brought action against a New York-based card and novelty marketer that uses the slogan "When you could care less about having the best," which Hallmark argues is a ripoff of its "When you care enough to send the very best" slogan.

And as more companies care enough to protect their trademarks, the industry's "No. 1 problem" may slide down in the priority listing. AA

sors—in exchange for exclusive licensing rights granted by the official nonprofit organization spearheading the restoration—to raise enough seed money to help finance the rest of the $250 million needed for the statue.

Now, at the height of the campaign, more than 90 licensees are using the official logo. Many other manufacturers are producing Lady Liberty products, he says, but only those with his license are donating part of their proceeds to the restoration—a fact put on product hangtags.

Running into others who came up with the same basic idea is just one of the pitfalls of public domain special events licensing. Other unforeseen and unpreventable factors can damage merchandising plans.

Mr. Mizerek's agency created a whimsical comet logo for Halley's Comet memorabilia. After an initial spurt of publicity at the beginnning of the year of the comet, public interest fizzled. To best view the comet, watchers had to travel to South America where it appeared as a blurry streak, Mr. Mizerek says.

Already facing apathy, merchandisers' hopes for a publicity push exploded with the space shuttle Challenger disaster. The shuttle was supposed to launch a satellite to take closeup pictures of the comet, and licensees were counting on a blitz of news coverage to boost sales.

Mr. Mizerek says some licensees were left with overstocks of merchandise. Some of these, he says, are trying to get rid of surplus using the slogan, "You didn't see the comet then, but you can see it now." Other licensees are trying to sell their goods in countries where the comet was more visible.

"I wish it was brighter," Mr. Mizerek says. "1910 was great." AA

Logos and profits come full circle

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ken into two distinct types. Brand extension licensing is when a licensed product carries a brand into product categories of which it typically is not a part, say Arnold Bolka, publisher, "The Licensing Letter," Scottsdale, Ariz., and Glen Konkle, president, Equity Management Inc., Palatine, Ill.

"Brand awareness is perceived on the consumer end," Mr. Bolka says. "I don't think it's a licensing technique *per se*, it's just the desired end to exposure of a brand." Mr. Konkle agrees, saying it is simply "the output of having a name on a product."

Another opinion muddies the waters and shows that corporate licensing basically still runs an uncharted course with lots of eddies in its current of thought—although it reportedly started in 1904 with the licensing of Buster Brown.

Milton Schulman, editor of *The Licensing Book*, New York, sides with Ms. Bailey that two categories of corporate licensing exist. "Brand extension is when a full line of products are created; brand awareness licensing involves giving the right to one manufacturer to use your name on a specific item," he says.

Englewood, N.J.-based Popsicle Industries and Parsippany, N.J.-based Nabisco Brands' Oreo Cookies'n Cream program is the textbook example cited by licensing agents as a classically effective use of licensing to extend brands.

In the same breath they mention the marriage of Coca-Cola Co., Atlanta, and Murjani International, New York, which came out with a line of apparel under the Coke name.

"It's a way for a corporation to create a cost-effective way to develop new products," Ms. Bailey says.

"There's no research and development, no marketing, sales or production costs. The corporation doesn't make the total profit, of course, but it's a very nice revenue producer without the upfront commitment and risk."

The growth of this licensing segment is very dramatic, especially in terms of companies that want to look to corporate licensing as part of their over-all marketing and advertising mix, she says. The reason for the boom is apparent. "A corporation isn't going to make a lot of money with brand awareness licensing, but it can make some nice royalty fees out of brand extension," Ms. Bailey says.

Others look at corporate licensing's role in terms of overall marketing strategy. "Corporate licensing is the ultimate leveraged marketing strategy," says Mr. Anson, who liked this phrase so much he had it registered as a trademark. "Simply, it is the process of extracting more benefits from a strategy than the investment required," he says, estimating about 1,000 trademarks are being licensed in one or more consumer product areas.

Although estimates vary, Mr. Anson says, corporate licensing accounts for 15% of the total licensing market and has an annual growth rate of more than 20%.

A cool $14 billion in royalties was deposited in the pockets of corporate licensers last year, Mr.

Steve Musgrave

Bolka says.

That amount represented 28% of the $50.1 billion in 1985 licensed product retail sales and pegged corporate licensing as the largest and fastest growing segment of all categories in the field.

To stress corporate licensing's clout, cartoon character licensing came in second with $12 billion or 24% of total licensed retail sales; sports licensing accounted for 11% of licensing sales with $5.5 billion, putting it in a distant third place.

The Licensing Industry Merchandisers' Assn., however, says corporate licensing market share estimates of more than 15% are too high, although it does not offer any estimate.

A corporate licenser with a successful licensed product might expect anywhere from 2% to 10% of the royalties on wholesale sales. The average royalty is about 4%, according to a study Mr. Anson conducted of 17 licenser companies. The average earnings on these companies' licensing efforts ran from $4 million to $6 million annually, he says.

There's always been money to make in corporate licensing, but the movement is getting more publicity now, Mr. Bolka says.

In addition to the obvious opportunity to make money, corporate licensing is receiving more attention because it is perhaps the most flexible form of licensing. "Character licensing appeals only to a juvenile crowd," *The Licensing Book's* Mr. Schulman says. "Corporate licensing can bring into play other departments in a mass merchandise store," he says, while character licensing is concentrated in toy departments.

Increased corporate demand for information about the viability of licensing names or symbols has led Marketing Evaluations, a Port Washington, N.Y.-based market research company, to create a new division called Product Q, says Steven Levitt, president.

"We basically measure the popularity of brand names so we can tell a corporation how many consumers are familiar with the name and what appeal the brand has," he says. The company asks some 3,500 consumers to determine whether they know a product name, like the product and like it more than competitors' brands.

"A company that has this information can sit back and know if its symbol or brand has magic to it," Mr. Levitt says. "And they'll know if it's a good choice to license the brand to those other manufacturers."

Succeeding in corporate licensing depends not only on how well a company's name is known and liked by the general public, but also on the appropriateness of the relationship between the licensed product and the corporate name.

"Just as in the casting of tv commercials, a choice can be disastrous," Mr. Levitt says. "If the product doesn't have a reason for being, it won't work. Look at the choice of John Houseman for the Smith Barney commercials. It worked great. But then Houseman was cast for a McDonald's commercial selling hamburgers . . . and it just didn't work."

Some corporations have learned their lesson the hard way, Mr. Schulman says. "Last year it seemed like corporations were granting licenses across the board.

The results were a lot of products that looked like premium promotions." Companies' licensing arrangements recently have become more sophisticated and targeted, he says.

Although he says companies probably were too free in contracting licensees last year, Mr.

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Logos and profits come full circle

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Schulman says no formula exists to determine the right amount. "That's impossible to answer. But a corporation does need a variety of product categories and not just one or two licensees." Because each corporation incorporates different goals into its licensing program, the number and types of licensees considered will differ as well.

The really important thing is to have a name with consumer awareness and acceptance, Mr. Schulman says. "And, of course, the new products developed should have a realistic relationship with the corporate name."

People involved in corporate licensing also are having a hard time convincing retailers of the advantages of shelving corporate vs. fad—mainly character-oriented—merchandise, he says. "The volume of corporate products is much lower than fad, but it's more steady and ongoing," Mr. Schulman says.

The astounding proliferation of character items and the competition for shelf space has made retailers wary. "The retailer reacts by asking, 'Do I really need this?'" says Michael Sisson, president, Sisson Associates, a New York-based licensing agency. "For the corporate items, it's a more long-term commitment and many [retailers] aren't willing to commit to it."

Because corporate products will not produce a high yield quickly, Mr. Schulman suggests they share retailer space, perhaps by forming corporate boutiques. "It could cover various product categories and be set up in a designated area of a store. But the idea needs to get the backing of retailers and it's just in the talking stages," he says.

Some progress already has been made by individual corporate lines in establishing a strong retail presence. Philadelphia-based J.G. Hook and Murjani, for example, have set up specialized boutiques and retail outlets for Walt Disney Productions and Coca-Cola licensed products, respectively.

In addition to the shelf space problem, corporate licensing is plagued by copyright infringements. This illegal activity siphons about $20 billion a year off licensing profits, estimates "The Licensing Letter's" Mr. Bolka.

"It is the No. 1 problem in the industry, but unfortunately there is no industrywide program mounted to attack it yet," he says. "The larger companies have the wherewithal to police their own property, but many smaller companies don't."

Toys, apparel, luggage, jewelry and cosmetics are all fair game for counterfeiters, sources say.

Steve Musgrave

"It's less of a problem now than it was two years ago," Mr. Anson says, because of increased policing by licensers and more education and awareness of the problem. The risk isn't what it was, Ms. Bailey agrees. Not too long ago many corporations feared getting into corporate licensing because of the problems associated with monitoring the company trademark.

"As long as a corporation and its licensee work with a reputable agent, you can be sure you'll get a good reflection of the corporation," she says. But just as properly conceived licensing arrangements can reflect handsomely on a company, a poorly executed job can hurt the company's image, Ms. Bailey says.

But the stakes are as high—or higher—for the licensee manufacturer as they are for the corporate licenser. "If a new product fails, it's not going to surface to that large of a degree for the consumer to be aware of. The corporation's not going to feel any backlash, but the licensee will," Mr. Sisson says. "The licensee has an investment in product and inventory. He's made a commitment to a new product, so he's the one that can lose."

Enough companies on both sides of the licensing contract have become interested in corporate licensing to stimulate further, significant growth, however. Consumers always will like brand names, industry observers say. "I believe corporate licensing has the greatest growth potential among all the categories in licensing," Ms. Bailey says.

But the boom times may be slow in developing. Companies will move very cautiously into corporate licensing, Mr. Schulman says.

"Their name is at stake and no company wants to adversely affect the value of their trademark," he says, especially in today's competitive licensing environment, where a name is much more than just a name.

Planning should precede corporate plunge

Corporations can learn a lesson from the tortoise and the hare. When it comes to making a go of it in corporate licensing, slow and steady is the way to run the course, the experts say.

For starters, companies must determine consumer awareness of their brands or trademarks. Market research companies can help garner the numbers. "You need to have facts and figures on how consumers relate to the logo or brand," says Michael Sisson, president of Sisson Associates in New York.

Not only does a company need good marks on consumer awareness, but it also will need to exactly define its potential audience, says Weston Anson, president of Marketing/Trademark Consultants in La Jolla, Cal. "It's not so much how many, but who, and how broad is that group?" he says.

But even a product with high consumer awareness isn't guaranteed success. The company or brand name has to ring well in the ears of the consumer, Mr. Anson says.

"I would bet that Brillo, for example, has a high awareness factor among consumers," he says. "But it's not an attractive name. It indicates grit and dirt to a lot of people. So then you have to ask yourself, where can you go with that? What product categories make sense?" The nature of some products simply limits their licensing potential, he says.

Start with common sense. British Airways may have a gold mine in a line of licensed luggage or apparel for traveling, Mr. Sisson says. But it would be useless to slap the airline name on tea biscuits, for instance, because there's not enough of a link between the company and the product, he says. "Of course, tea biscuits could be right if the airline served them to passengers and found it had a following that way."

A company that can be represented in a very specific item or image, such as Harley-Davidson Motor Co., often has a future in corporate licensing, says Nancy Bailey of Nancy Bailey & Associates in Miami. Category-leading products have strong licensing potential, as do life-style brands or an old company that hooks into nostalgia or history, she says.

Possessing the best market share won't guarantee success, however. "A corporation has to evaluate all the factors because there's so much competition in corporate licensing," Ms. Bailey says. "Everyone wants to get in."

Corporations interested in licensing should determine where they are missing product opportunities and whether corporate licensing can help to fill the gaps, Mr. Anson says. Look at the dark side of the deal as well. tive effects on the company's image and balancing those against the potential payoff.

A company also should look at its willingness to accept another company manufacturing a product with the licenser's name on it, says Glen Konkle, president, Equity Management Inc., a Palatine, Ill.-based marketing company specializing in licensing. "It's like letting the family money get out of the family. It takes a certain level of adjustment."

Selecting the right licensee to entrust with a corporate name should not be taken lightly. A corporation that is hooking up with a blue jean manufacturer, for example, wants to make certain that the company has a substantial share of the market in that particular category, Ms. Bailey says.

It might not be a good idea to go to the leading manufacturer, Mr. Konkle says. "How important is the product to the corporation? You often are not going to find the best deal with the largest manufacturer because they are not as motivated."

The licenser should look at a potential licensee as a business partner, he says, not simply as a licensee. Licensers should assess the licensee's stature in the industry, management depth, reputation for product quality and innovativeness, marketing capabilities and distribution, advertising and promotional aggressiveness, past experience in licensing and financial situation, Mr. Konkle says.

It's crucial for licensees to have the resources to fully commit to the new product's development, sales and distribution. "You want a licensee who will go that extra measure to make sure the product is placed at the retail level," Ms. Bailey says.

A corporation needs to have a relationship with a licensee that is prepared to use the license to the fullest extent, Mr. Sisson says. "For that reason, your marketing goals should be parallel."

shoes, jewelry and cosmetics, for example, can be put together so the products can be cross-promoted in ads and at point of sale.

Consultants warn corporations to stay away from licensees in overcrowded categories. "You can find out what categories to avoid by talking to manufacturers and retailers. Do your legwork," Mr. Anson says. "Talk to retailers about where there might be openings for new products or ask them about voids in particular market [segments] and at what price points."

Prospective licensees should do a little investigating of their own, primarily to guarantee they are dealing with the legal property owner. "There have been cases where people have been involved with companies that said they owned the trademark but really didn't," Mr. Konkle says.

Manufacturers also should assess the strength of the property and the licenser's commitment to it, he says. "Find out if they have a support program, involving such things as cross-promotions among their licensees, and check that they are involved in aggressive policing of the trademark, which is always the responsibility of the licenser."

Even a high-quality licensee producing an appropriate product for a very involved licenser may not make it. "It's impossible to predict," Mr. Sisson says. "You've got a great product, at the right price point; the quality is super and the marketing plans work. But the consumers reject it and say, 'We don't need that.'

"There are no guarantees in this business," he says.

—Eileen Norris

Senior editor Ed Fitch coordinated this report on Licensing.

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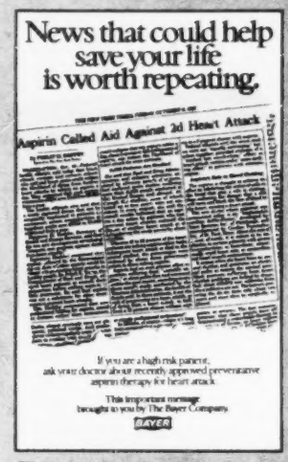
A textbook-perfect use of spot color is the highlight of this tune-in ad for a Lifetime Cable Network "informathon" on allergies. Merrell Dow, which sponsored the Lifetime show, used the ad, via Medicus Consumer Communications, New York, to call attention to the special. Copywriter: Hal Borofsky; art director: John Hegquist.

J. Walter Thompson USA, Chicago, uses a high-impact visual to promote Hyatt hotels and their practice of providing guests with all manner of toiletries. Creative director: Rita Winters; art director: Jim Root; copywriter: Keith Condon.

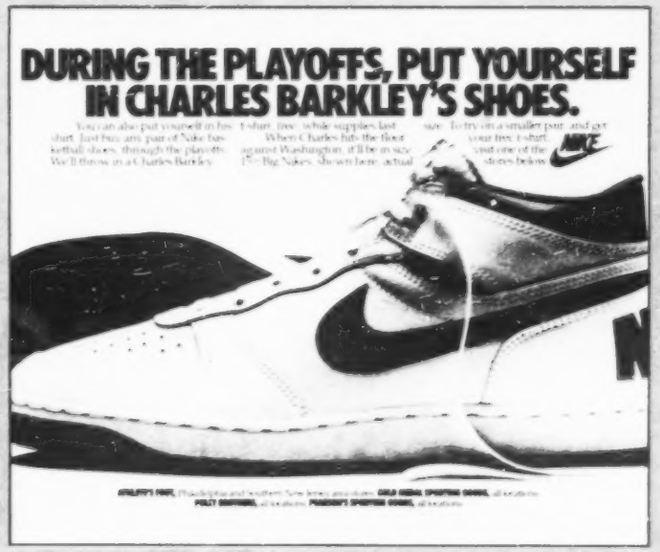


This ad for Sterling Drug's Bayer aspirin, via SSC&B, New York, uses an actual reprint of a *New York Times* news story to capitalize on the news value of its message and to present the appearance of public service. Executive creative director: Mike Shalette; creative director: John Lerch; art director: Bob Gula; copywriter: Kathleen Malone; photographer: Hank Dunning.

Fallon McElligott, Minneapolis, uses a graphic interpretation of sound to stress the quality of Allnet Communication Services' long-distance service transmission. Creative director: Tom McElligott; art director: Bob Barrie; copywriter: Phil Hanft; photographer: Rick Dublin.

The combination of an arresting headline and a strong graphic makes this ad for Ryder Truck Rental, via Burton-Campbell, Atlanta, a standout. Creative director: Gabe Massimi; art director: Tom Sapp; copywriter: John Jaeckel; illustrator: Gary Overacre.

National System inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to William F. Gloede in AA's New York bureau.



A series of ads showing the actual size of NBA stars' basketball shoes was the hook in this Nike campaign from Wieden & Kennedy, Portland, Ore. The shoes of NBA home-team stars in several cities were used for the campaign, which ran during the first rounds of the playoffs. This ad, featuring the shoe of Charles Barkley, the Philadelphia 76ers forward, ran in that city. Creative directors: Dan Wieden, David Kennedy; art director: Rick McQuiston; copywriter: Barrett Rossie; photographer: Pete Stone.

FLASH REPORT: Newspaper advertising investment for March

February 1986	IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1986	1985	ACTUAL $ G OR L	% G OR L
Amusements	1986	$32,010,825	$29,938,803	+2,072,025	+6.9
	1985				
Computer stores & supplies	1986	5,224,451	5,564,813	-340,362	-6.1
	1985				
Department stores	1986	90,922,861	90,796,100	+126,761	+0.1
	1985				
Food stores	1986	31,990,092	27,815,175	+4,174,917	+15.0
	1985				
Radio, tv, phonographs, records	1986	18,577,555	16,838,501	+1,739,054	+10.3
	1985				
General merchandise stores	1986	46,751,871	41,594,270	+5,157,601	+12.4
	1985				
Alcoholic beverages	1986	1,792,354	2,172,552	-380,198	-17.5
	1985				
Cameras, photo supplies & services	1986	300,060	146,168	+153,892	+105.3
	1985				
Computers, equipment & services	1986	2,886,779	4,062,622	-1,175,843	-28.9
	1985				
Public service utilities & communications	1986	4,489,422	8,007,976	-3,518,554	-43.9
	1985				
Publishing & media	1986	10,557,701	11,244,645	-686,944	-6.1
	1985				
Cigarets	1986	4,992,947	3,114,007	+1,878,940	+60.3
	1985				
Airlines	1986	19,643,846	11,440,523	+8,203,323	+71.7
	1985				
Passenger cars-new	1986	17,701,674	15,867,796	+1,833,878	+11.6
	1985				
Banks & trust companies	1986	9,908,320	9,505,841	+402,479	+4.2
	1985				
Stock, bond & investment houses	1986	2,673,573	1,792,917	+880,656	+49.1
	1985				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Newspaper ads March up

NEW YORK—Advertiser investments in 52 newspapers increased 7.3% to $299.5 million in March, 1986, according to figures that Media Records compiled for the ADVERTISING AGE Flash Report.

Among the 16 major categories measured, airlines gained the most altitude, in total dollars, over the same period in '85, posting a 71.7% gain of $8.2 million to $19.6 million.

Other major gainers in those papers that Media Records tracked included cigarets, up 60.3% to $5 million; stock, bond and investment houses, up 49.1% to $2.7 million; food stores, up 15% to $32 million; general merchandise stores, up 12.4% to $46.8 million; new passenger cars, up 11.6% to $17.7 million; radio-tv-phonographs-records stores, up 10.3% to $18.6 million, and amusements, up 6.9% to $32 million.

Other gaining categories were department stores, up just 0.1% to $90.9 million; banks and trust companies, up 4.2% to $9.9 million, and cameras, photo supplies and services, soaring 105.3% to $300,000.

Losing categories were publishing and media, down 6.1% to $10.6 million; computer stores and supplies, down 6.1% to $5.2 million; alcoholic beverages, down 17.5% to $1.8 million; computers, equipment and services, down 28.9% to $2.9 million, and public service utilities and communications, down 43.9% to $4.5 million.

The 29 daily and 23 Sunday newspapers measured for the Flash Report are concentrated in the top 15 markets.#